



Securities Investors Association (Singapore)

7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111

Tel: (65) 6227 2683 Fax: (65) 6220 6614

Email: admin@sias.org.sg www.sias.org.sg

UEN No: S99SS0111B

GST Reg No: M90367530Y

Issuer: Captii Limited

Security: Captii Limited

Meeting details:

Date: 26 April 2019

Time: 3.00 p.m.

Venue: Copthorne King's Hotel, 403, Havelock Road, Singapore 169632, Prince Room, Level 13

Company Description

Captii Limited, formerly Unified Communications Holdings Limited, is a Singapore-based investment holding company. The Company is engaged in the provision of management services. The Company's segments are Unifiedcomms, GlobeOSS and Others. The Company's Unifiedcomms segment consists of content-driven mobile value-added services (VAS), messaging and signaling systems, solutions and managed services. The Company's GlobeOSS segment consists of mobile network operation support systems, solutions and managed services. The Company's Others segment includes venture investments and investment holdings. The Company's operations in South East Asia include the provision of telecommunications products and customized solutions for the telecommunications industry, and the provision of global roaming quality and service management solutions. The Company has operations in various regions, including South East Asia, South Asia, Middle East and Africa, China and North America. (Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=AWV)

Q1. Would the board/management provide shareholders with better clarity on the following operational and financial matters? Specifically:

- (i) System sales margin: How much pricing power does the group have for its system sales? What is the group's value proposition in system sales and what is management's strategy to capture value for shareholders?**
- (ii) Venture investments: As at 31 December 2018, the venture portfolio was fair-valued at S\$11.2 million, up from the initial investment cost of S\$7.7 million. Would management disclose all 15 companies in the portfolio and provide a brief description for each portfolio company? How soon is any company in the portfolio to a monetisation event, such as a potential trade sale/listing?**
- (iii) Property: The unit at Plaza Sentral in Kuala Lumpur was left vacant since November 2016. Would the board be evaluating how to maximise the value of this asset for shareholders?**

Q2. In the 2017 Annual report, the company has reported that the board was "in the process of identifying suitable candidates to comply with the guideline stated in the Code which requires Independent Directors to make up at least half of the Board".

However, in the 2018 Annual report, independent directors have yet to make up at least half of the board and the company has stated the same message:

The Board is in the process of identifying suitable candidates to comply with the guideline stated in the Code which requires Independent Directors to make up at least half of the Board.

In fact, the company has said that it is in the process of identifying suitable candidates since the 2016 Annual report. In FY2015, the board did not meet the recommendations of Guideline 2.2 of the 2012 Code of Corporate Governance as well.

- (i) Can the board, especially the nominating committee (NC), help shareholders understand its efforts at identifying suitable candidates?**
- (ii) What is the difficulty in identifying a suitable candidate for the company?**
- (iii) The NC has further stated that, where it deems necessary or appropriate, the NC may seek assistance from external search consultants for the selection of potential candidates. Has the NC tapped into any external search consultants in the past three years?**
- (iv) Can the board help shareholders understand its near-term plans to appoint an independent director to the board so that it would comply with Guideline 2.2 of the 2012 CG Code?**

Q3. In addition, the independent director, Mr Phuah Peng Hock, was first appointed to the board on 18 December 2003 and was appointed as the lead independent director on 26 February 2014. Mr (Paul) Chuah Seong Phaik, as the other independent director on the board, was appointed to the board on the same day.

Both independent directors have each served on the board for more than 15 years.

At the annual general meeting scheduled to be held on 26 April 2019, Mr Phuah is retiring pursuant to Article 103 of the Company's Constitution and is seeking his re-election.

In August 2018, the Monetary Authority of Singapore issued a revised Code of Corporate Governance ("2018 CG Code"). As a consequence of the revised 2018 CG Code, the Singapore Exchange has made amendments to its Listing Rules which came into effect on 1 January 2019, except for the rules on the 9-year tenure for independent directors and the requirement for independent directors to comprise one-third of the board which come into effect on 1 January 2022. Under the revised Listing Rules, the term of an independent director will be limited to nine years after which the long tenured directors will be subject to a two-tier vote by shareholders.

- (i) Has the company evaluated the impact of the 2018 CG Code and the amendments to the Listing Rules on the board?**
- (ii) Has the nominating committee reviewed the overall desired competency matrix of the board and identified any gaps in skills or competencies that could be addressed in future director appointments, especially as the group is scaling up its venture investing arm?**
- (iii) In addition, as the lead independent director, would Mr Phuah be holding himself to an even higher standard of corporate governance? The long tenure of an independent director could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the company.**

A copy of the questions for the Annual Report for the financial year ended 31 December 2017 could be found here:

<https://sias.org.sg/qa-on-annual-reports/?company=Captii%20Ltd&cid=6359,4609>

The company's response could be found here: -----